



**ASSOCIATES COMMERCIAL CORPORATION**

3091 Governors Lake Drive Suite 450  
Norcross, GA 30071-1131 (770) 446-8360 Fax (770) 446-8764

RECORDATION NO. 20574 FILED 1625  
MAR 12 1997 2:44 PM

March 11, 1997

Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary:

I have enclosed two originals of the document described, dated March 6, 1997 to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement primary document, dated March 6, 1997.

Debtor: Utilico, Inc.  
P.O. Box 1663, Omega TyTy Road  
Tifton, GA 31793

Secured Party: Associates Commercial Corporation  
3091 Governors Lake Drive, Suite 450  
Norcross, GA 30071

A description of the equipment covered by the document follows:  
One (1) 150 Ton Mantis Model 30011 Rerailing Wrecker Crane,  
S/N: 6007 mounted on and including One (1) Freightliner Truck,  
S/N: 1FV44ZYB8VL817131 AND Engine S/N: 06R0326204

A fee of \$24.00 is enclosed. Please return the one original and any extra copies not needed by the commission for recordation to Associates Commercial Corporation, P.O. Box 921168, Norcross, GA 30092-7168, attention: Charles Gibson.

A short summary of the document to appear in the index follows: Security Agreement between Utilico, Inc. And Associates Commercial Corporation dated March 6, 1997 covering One (1) 150 Ton Mantis Model 3011 Rerailing Wrecker Crane, S/N: 6007 mounted on and including One (1) Freightliner Truck, S/N: 1FV44ZYB8VL817131 AND Engine S/N: 06R0326204.

Sincerely,

Charles Gibson  
Business Analyst

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAR 12 1 44 PM 1997

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001

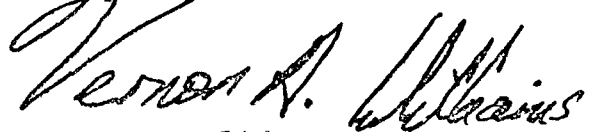
3/12/97

Charles Gibson  
Business Analyst  
Associates Commercial Corporation  
3901 Governors Lake Drive ,Ste. 450  
Norcross, GA 30071-1131

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/12/97 at 2:00PM , and assigned recordation number(s). 20574.

Sincerely yours,

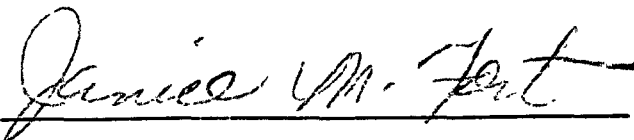


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 24.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature





# SECURITY AGREEMENT

undersigned debtor, meaning all debtors jointly and severally ("Debtor"), to secure the obligations set forth herein grants to the secured party named (herein, with its successors and assigns, called "Secured Party") under the terms and provisions of this agreement (this "Agreement") a security interest in the following described property (herein, with all present and future attachments, accessories, replacement parts, repairs and additions or improvements, referred to collectively as "Equipment"):

(1) 156 Ton Mantis Model 30011 Rerailing Wrecker Crane, S/N: 6007 mounted on including One (1) Freightliner Truck, S/N: 1FV442YB8VL817131 and S/N: 06R0326204

RECORDATION NO 20574  
MAR 12 1997 2 44 PM

Equipment will be used primarily for: ☒ business or commercial use other than farming operations ☐ farming operations. When not in use, Equipment will be kept at: 905 Omega Ty Ty Road, Tifton, GA, when in use, will be used only in the following State(s): GA

## PAYMENT SCHEDULE

Debtor promises to pay Secured Party the Total Amount of \$28,120.00 (the "Total Amount") in 60 payments as follows:

\$8,802.00 on 04/10/97, and like sum on the like date of each month thereafter until fully paid.

or

Debtor, however, that the final installment will be in the amount of then remaining unpaid balance. All amounts payable under this agreement are payable at Secured Party's address shown below or at other address as Secured Party may specify from time to time in writing. Any note taken in conjunction with this Agreement evidences debt and not payment.

INSURANCE: Physical damage insurance covering the equipment is required. Debtor can furnish this insurance through an agent or broker of Debtor's choice. Debtor hereby authorizes Secured Party and any assignee to release to any insurance company affiliated with Secured Party or any assignee any information relating to a contract or policy of insurance which is providing or may provide insurance coverage against physical damage to the Equipment.

TOTAL AMOUNT: The Total Amount consists of \$ 421,539.00 of principal and precomputed interest in the amount of \$ 106,581.00 computed on the basis of 9.25 % per annum on the assumption that all payments will be made on their respective due dates.

DELINQUENCY: For each installment not paid when due, Debtor agrees to pay Secured Party a delinquency charge calculated on the amount of such installment at the rate of 1 1/2% per month for the period of the delinquency, or, a Secured Party's option, 5% of such installment, provided that such a delinquency charge is not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. Debtor agrees to reimburse Secured Party immediately upon demand for any amount charged to Secured Party by any depository institution because a check, draft or other order made or drawn by or for the benefit of Debtor is returned unpaid for any reason. From and after acceleration, Debtor agrees to pay interest on all amounts then owing at the rate of 1 1/2% per month, if not prohibited by law, otherwise at the highest rate that Debtor can legally obligate itself to pay and/or Secured Party can legally collect. If the implementation of any provision of this Agreement would at any time raise the interest rate (whether before or after acceleration) or delinquency charge above the lawful maximum, if any, in effect from time to time under applicable state or federal laws for loans to borrowers of the type, in the amount, for the purposes, and otherwise of the kind contemplated by this agreement, then such interest rate and/or delinquency charge will be limited to such lawful maximum and any excess amount inadvertently collected will be deemed to be a partial prepayment of principal and applied or reapplied by Secured Party in that manner.

SECURITY INTEREST: To secure payment of the Total Amount and all of Debtor's obligations under this Agreement or with respect to the Equipment, Debtor hereby grants to Secured Party a first priority security interest in the Equipment and in all cash and non-cash proceeds thereof (the Equipment and such proceeds are herein called the "Collateral") regardless of any retaking and/or redelivery of the Collateral to Debtor.

CROSS SECURITY: Debtor further grants to Secured Party a security interest in the Collateral to secure the payment of all absolute and all contingent obligations and liabilities of Debtor to Secured Party now existing or hereafter arising, whether under this Agreement or under any other agreement and whether due directly or by assignment; provided, however, upon any assignment of this Agreement by Secured Party, the assignee shall be deemed for the purpose of this paragraph as the only party with a security interest in the Collateral.

## DELIVERY AND ACCEPTANCE OF EQUIPMENT

(Check Appropriate Box)

Debtor's obligations and liabilities to Secured Party are absolute and unconditional under all circumstances and regardless of any failure of operation or Debtor's loss of possession of any item of Equipment or the cessation or interruption of Debtor's business for any reason whatsoever.

☒ On March 6, 1997, the Equipment being purchased with the proceeds of this Agreement was delivered to Debtor with all installation and other work necessary for the proper use of the Equipment completed at a location agreed upon by Debtor; the Equipment was inspected by Debtor and found to be in satisfactory condition in all respects and delivery was unconditionally accepted by Debtor.

☐ The Equipment being purchased with the proceeds of this Agreement has not yet been delivered to or accepted by Debtor and, upon delivery, Debtor agrees to execute such delivery and acceptance certificate as Secured Party requires.

☐ All of the Equipment was acquired by Debtor prior to the date hereof and was previously delivered to and unconditionally accepted by Debtor.

ADDITIONAL TERMS AND ORAL AGREEMENTS: Debtor and Secured Party agree that this is a two page agreement and each page hereof constitutes a part of this agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Debtor's Social Security or Federal Taxpayer Identification Number is \_\_\_\_\_ and Co-Debtor's is 581435985

DATED: March 6, 1997

SECURED PARTY Associates Commercial Corporation

Debtor hereby acknowledges receipt of an exact copy of this Agreement.

DEBTOR Utilco, Inc.

Robert A. Price  
Branch Manager

By William Byrnes  
Title Pres

3091 Governors Lake Dr. Ste. 450  
(Street Address)

P.O. Box 1663

(Street Address)

Norcross GA 30092-7168  
(City, State and Zip Code)

Tifton

Tift

GA 31793

(City, County, State and Zip Code)

### Statement of Additional Terms

1. **Additional Warranties and Agreements.** Debtor warrants and agrees that: the execution of and performance by Debtor under the terms of this Agreement has been approved for Debtor by all necessary action and by Debtor's partners or board of directors, as applicable; the Equipment is currently and will continue be maintained in good operating condition, repair and appearance and is currently and will continue be used and operated with care only by qualified personnel in the regular course of Debtor's business and in conformity with all applicable governmental laws and regulations, manufacturer's specifications and the restrictions contained in any insurance policy insuring the Equipment; the Equipment is not currently and will not be used in conjunction with the storage, transportation or disposal of substances considered to be toxic and/or hazardous or in conjunction with any activity or for any use that would subject the Equipment to seizure or confiscation by any governmental body; and the Equipment is currently located at and will be kept by Debtor at the location set forth for it on the reverse side of this Agreement and will not be removed from said location without the prior written consent of Secured Party, except that if the Equipment is of a type which is mobile and normally used by Debtor at more than one location, Debtor may use the Equipment away from said location in the regular course of Debtor's business provided that (a) if the Equipment is not returned to said location within 30 days, Debtor will immediately thereafter, and each 30 days thereafter until the Equipment is returned, report the then current location of the Equipment to Secured Party in writing and (b) the Equipment shall not be removed from the State(s) of use indicated on the reverse side of this Agreement. Secured Party shall have the right to inspect the Equipment at all reasonable times and from time to time.

Debtor further warrants and agrees that: the security interest in the Collateral granted to and/or retained by Secured Party is and will continue to be superior to any title to or interest in the Equipment now or hereafter held or claimed by any other party; the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances (whether superior or inferior to the interests of Secured Party) other than that created by this Agreement; notwithstanding Secured Party's interest in proceeds, Debtor will not and will not allow any other party to consign, sell, rent, lend, encumber, pledge, transfer, secrete or otherwise dispose of any of the Collateral without Secured Party's prior written consent; Debtor will do everything Secured Party deems necessary or expedient to perfect or preserve the interests granted to Secured Party under this Agreement and the first priority of such interests; any Manufacturer's Statement or Certificate of Origin or Certificate of Title relating to the Equipment shall be immediately delivered to Secured Party and, if a Certificate of Title or registration is required for any item of Equipment, Debtor will cooperate with Secured Party in obtaining the Certificate of Title or registration disclosing the interests of Debtor and Secured Party in the Equipment; Debtor will defend any action, proceeding or claim affecting the Collateral or the interests of Secured Party in the Collateral; Debtor shall promptly pay all amounts payable in conjunction with the storage, maintenance or repair of the Equipment and all taxes, assessments, license fees and other public or private charges levied or assessed in conjunction with the operation or use of the Equipment or levied or assessed against the Collateral, this Agreement or any accompanying note except for those which are being contested by Debtor in good faith by appropriate proceedings and which do not constitute a lien or encumbrance upon the Collateral; and Debtor will from time to time furnish Secured Party with such financial statements and other information as Secured Party may reasonably request.

2. **Insurance and Risk of Loss.** Debtor will at all times bear all risk of loss of, damage to or destruction of the Equipment. Debtor agrees to immediately procure and maintain insurance on the Equipment for the full insurable value thereof and for the life of this Agreement, in the form of "All Risk" or similar insurance (insuring the Equipment for fire, extended coverage, vandalism, theft and collision and containing only those exclusions from coverage which are acceptable to Secured Party) plus such other insurance as Secured Party may specify from time to time, all in form and amount and with insurers satisfactory to Secured Party. Debtor agrees to deliver promptly to Secured Party certificates or, if requested, policies of insurance satisfactory to Secured Party, each with a standard long-form loss-payable endorsement naming Secured Party or assigns as loss-payee and providing that Secured Party's rights under such policy will not be invalidated by any act, omission or neglect of anyone other than Secured Party, and containing the insurer's agreement to give 30 days prior written notice to Secured Party before any cancellation of or material change in the policy(s) will be effective as to Secured Party, whether such cancellation or change is at the direction of Debtor or insurer. Secured Party's acceptance of policies in lesser amounts or risks will not be a waiver of Debtor's obligation to procure insurance complying with the provisions hereof promptly after notice from Secured Party. Debtor assigns to Secured Party all proceeds of any physical damage or credit insurance which is maintained by Debtor in accordance herewith, including returned and unearned premiums, up to the amount owing hereunder by Debtor. Debtor directs all insurers to pay such proceeds solely to the order of Secured Party for application to Debtor's indebtedness to Secured Party. Secured Party may, at its option, apply any such proceeds received by Secured Party to the final maturing installments due hereunder in the inverse order of their maturity.

3. **Performance By Secured Party.** If Debtor fails to perform any of Debtor's obligations pursuant to Paragraphs 1 or 2 above, Secured Party may perform the same for the account of Debtor. Any such action by Secured Party will be in Secured Party's sole discretion and Secured Party will not be obligated in any way to do so. Secured Party's performance on behalf of Debtor will not obligate Secured Party to perform the same or any similar act in the future and will not cure or waive Debtor's failure of performance as an event of default hereunder. All sums advanced or costs and expenses incurred by Secured Party pursuant to this Paragraph, including the reasonable fees of any attorney retained by Secured Party, will be for the account of Debtor, will constitute indebtedness secured by Secured Party's security interest in the Collateral, will bear interest at the rate as specified on the reverse side of this Agreement in the event of acceleration and, unless Secured Party, in Secured Party's sole discretion agrees otherwise in writing, shall be immediately due and payable.

4. **Events of Default.** Time is of the essence. An event of default will occur if: (a) Debtor fails to pay when due any amount owed by it to Secured Party under this Agreement or under the terms of any promissory note delivered in conjunction with this Agreement or if Debtor fails to pay when due any amount owed by it to Secured Party or to any affiliate of Secured Party under any other document, agreement or instrument; (b) Debtor fails to perform in compliance with any of its agreements hereunder or any warranty made by Debtor in this Agreement or becomes incorrect or if Debtor fails to perform or observe any term or provision to be performed or observed by it under any other document, instrument or agreement furnished by Debtor to Secured Party or any affiliate of Secured Party or otherwise acquired by Secured Party or any affiliate of Secured Party; (c) any information, representation, or warranty furnished by Debtor to Secured Party or to any affiliate of Secured Party is inaccurate or incorrect in any material respect when furnished; (d) Debtor becomes insolvent or ceases to do or is prohibited by any court order or governmental action from conducting the business in which Debtor is principally engaged on the date of this Agreement as a going concern; (e) any surety or bonding company assumes any of Debtor's responsibilities under any contract or job; (f) if any of the Equipment is lost, stolen, destroyed, confiscated by any governmental agency, abandoned, or relocated, used or maintained in violation of the terms hereof or if Debtor attempts to consign, sell, rent, lend or encumber any of the Equipment or allows another to do so; (g) Debtor files a petition in bankruptcy, or for an arrangement, reorganization, or similar relief, or makes an assignment for the benefit of creditors, or applies for the appointment of a receiver or trustee for a substantial part of its assets or for any of the Equipment, or attempts to take advantage of any process or proceeding for the relief of debtors, or if any such action is taken against Debtor; (h) any other party attempts to attach, repossess or execute upon any of the Collateral; (i) Debtor ceases to exist as a legal entity or Debtor or any party in control of Debtor takes any action looking to Debtor's dissolution as a legal entity; (j) there shall be a material change in the management, ownership or control of Debtor; or (k) Secured Party in good faith believes that the prospect of payment or performance hereunder is impaired. Secured Party's inaction with respect to an event of default shall not be a waiver of such default and Secured Party's waiver of any default shall not be a waiver of any other default.

5. **Remedies Upon Default.** Upon the occurrence of an event of default, and at any time thereafter as long as the default continues, Secured Party may, at its option, with or without notice to Debtor (i) declare this Agreement to be in default, (ii) declare the indebtedness hereunder to be immediately due and payable, (iii) declare all other debts then owing by Debtor to Secured Party to be immediately due and payable, (iv) cancel any insurance and credit any refund to the indebtedness, and (v) exercise all of the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including, without limitation, the right to require Debtor to assemble the Equipment and deliver it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties, and to lawfully enter any premises where the Collateral may be without judicial process and take possession thereof. Acceleration of any or all indebtedness, if so elected by Secured Party, shall be subject to all applicable laws including those pertaining to refunds and rebates of unearned charges. Any property other than the Collateral which is in or upon the Collateral at the time of repossession may be taken and held without liability until its return is requested by Debtor. Any sale or other disposition of any of the Collateral may be made at public or private sale or through public auction for a wholesale or retail price at the option of Secured Party. Secured Party may buy at any sale and become the owner of the Collateral. Unless otherwise provided by law, any requirement of reasonable notice which Secured Party may be obligated to give regarding the sale or other disposition of Collateral will be met if such notice is mailed to Debtor at its address shown herein at least ten days before the time of sale or other disposition. Debtor agrees that Secured Party may bring any legal proceedings it deems necessary to enforce the payment and performance of Debtor's obligations hereunder in any court in the State shown in Secured Party's address set forth herein, and service of process may be made upon Debtor by mailing a copy of the summons to Debtor at its address shown herein. The filing by Secured Party of any action or proceeding with respect to the Collateral or any of Debtor's obligations hereunder shall not constitute an election by Secured Party of Secured Party's remedies or a waiver of Secured Party's rights to take possession of the Collateral as provided above. Expenses of retaking, holding, preparing for sale, selling and the like shall include (a) the reasonable fees of any attorneys retained by Secured Party, (b) any amounts advanced or expenses incurred by Secured Party pursuant to Paragraph 3 hereof and (c) all other legal and other expenses incurred by Secured Party. Debtor agrees that it is liable for and will promptly pay any deficiency remaining after any disposition of Collateral after default and all costs and expenses, including the reasonable fees of any attorney, incurred by Secured Party in the collection of any such deficiency.

6. **Power of Attorney.** Debtor hereby appoints Secured Party or any duly authorized officer or employee of Secured Party as Debtor's attorney-in-fact to, in Debtor's or Secured Party's name: (a) prepare, execute and submit any notice or proof of loss in order to realize the benefits of any insurance policy insuring the Collateral; (b) prepare, execute and file any instrument which, in Secured Party's opinion, is required by law to perfect and give or modify public notice of Secured Party's interest in the Collateral; and (c) endorse Debtor's name on any remittance representing proceeds of any insurance insuring the Collateral or the proceeds of the sale, or other disposition of any of the Collateral (whether or not such disposition is a default hereunder). This power is coupled with an interest and is irrevocable so long as any indebtedness secured hereunder remains unpaid.

7. **Assignment.** Debtor shall not assign this Agreement without the prior written consent of Secured Party. Secured Party may assign this Agreement with or without notice to or the consent of Debtor. Upon assignment, the term "Secured Party" shall mean and refer to any assignee who is the holder of this Agreement. After assignment of this Agreement by Secured Party, the assignor will not be the assignee's agent for any purpose and Debtor's obligations to the assignee will be absolute and unconditional and, to the extent permitted by applicable law, will not be subject to any abatement, reduction, recoupment, defense, set-off or counterclaim available to Debtor for breach of warranty or for any other reason whatsoever. Upon full payment of all obligations secured by this Agreement, the assignee may deliver all original papers to the assignor for Debtor.

8. **Miscellaneous.** (A) All of Secured Party's rights hereunder are cumulative and not alternative. (B) The inclusion of a trade name or division name in the identification of Debtor hereunder does not limit Secured Party's rights, after the occurrence of an event of default, to proceed against all of Debtor's assets, including those held or used by Debtor individually or under another trade or division name. (C) If permitted by law, Debtor agrees to execute a carbon, photographic or other reproduction of this Agreement or of a financing statement may be filed as a financing statement. (D) Secured Party may correct patent errors herein and fill in blanks. (E) All of the terms and provisions hereof will apply to and be binding upon Debtor, its heirs, personal representatives, successors and assigns and shall inure to the benefit of Secured Party, its successors and assigns. (F) Debtor and Secured Party hereby waive any right to trial by jury in any action or proceeding relating to this Agreement or the transaction contemplated hereby. (G) Debtor hereby waives notice of nonpayment, presentment, protest, dishonor, default, intent to accelerate the maturity hereof and of acceleration of the maturity hereof. (H) If allowed by law, "the reasonable fees of attorneys" retained by Secured Party shall include the amount of any flat fee, retainer, contingent fee and/or the hourly charges of any attorney retained by Secured Party in enforcing any of Secured Party's rights hereunder in the prosecution or defense of any litigation related to this Agreement or the transactions contemplated by this Agreement. (I) To the extent allowed by law, Debtor hereby waives any exemptions or appraisals. (J) No waiver or change in this Agreement or in any related note will be binding upon Secured Party, or Secured Party's assignee, unless such waiver or change is in writing and signed by one of its officers and any such waiver or change shall then be effective only upon the terms and to the extent provided in such writing. (K) The acceptance by Secured Party of any remittance from a party other than Debtor will in no way constitute Secured Party's consent to the transfer of any of the Collateral to such party. (L) Any captions of headings included in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision contained in this Agreement. (M) Any provision contained herein which is contrary to, prohibited by or invalid under applicable laws or regulations will be deemed inapplicable and omitted herefrom, but shall not invalidate the remaining provisions hereof. (N) The only copy of this Agreement which constitutes "chattel paper" is the original executed copy designated as "Original For Associates".